

MENTION

Nom de la Société : **FIAT FINANCE AND TRADE LTD**

Siège social : 24, boulevard Royal, L-2449 Luxembourg

N° du Registre de Commerce : B - 59500

Les comptes annuels au 31 décembre 2012 ont été déposés au Registre de Commerce et des Sociétés.

Dépôt complémentaire du dépôt **L130048531** effectué le 25/03/2013.

Pour mention aux fins de publication au Mémorial, Recueil des Sociétés et Associations.

Pour FIAT FINANCE AND TRADE LTD

Leonardo Cecchetti
Président du Conseil d'Administration

BALANCE SHEET**Financial year from** ⁰¹ 01/01/2012 **to** ⁰² 31/12/2012 (in ⁰³ EUR)

FIAT FINANCE AND TRADE LTD

24, boulevard Royal
L-2449 Luxembourg**ASSETS****Financial year****Previous financial year****A. Subscribed capital unpaid**

- I. Subscribed capital not called
- II. Subscribed capital called but not paid

B. Formation expenses**C. Fixed assets**

- I. Intangible assets
 - 1. Costs of research and development
 - 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were
 - a) acquired for valuable consideration and need not be shown under C.I.3
 - b) created by the undertaking itself
 - 3. Goodwill, to the extent that it was acquired for valuable consideration
 - 4. Payments on account and intangible fixed assets under development

- II. Tangible assets
 - 1. Land and buildings
 - 2. Plant and machinery
 - 3. Other fixtures and fittings, tools and equipment
 - 4. Payments on account and tangible assets in course of construction

- III. Financial assets
 - 1. Shares in affiliated undertakings
 - 2. Loans to affiliated undertakings
 - 3. Shares in undertakings with which the company is linked by virtue of participating interests
 - 4. Loans to undertakings with which the company is linked by virtue of participating interests
 - 5. Investments held as fixed assets
 - 6. Loans and claims held as fixed assets
 - 7. Own shares or own corporate units

101		102	
103		104	
105		106	
107		108	
109	165.728.145,00	110	165.433.219,00
111	321.783,00	112	21.132,00
113		114	
115	321.783,00	116	21.132,00
117	321.783,00	118	21.132,00
119		120	
121		122	
123		124	
125	161.953,00	126	167.678,00
127		128	
129		130	
131	161.953,00	132	167.678,00
133		134	
135	165.244.409,00	136	165.244.409,00
137		138	
139		140	
141	165.244.409,00	142	165.244.409,00
143		144	
145		146	
147		148	
149		150	

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	Financial year	Previous financial year
D. Current assets		
I. Stocks	151 <u>10.804.161.094,00</u>	152 <u>10.422.202.435,00</u>
1. Raw materials and consumables	153 _____	154 _____
2. Work and contracts in progress	155 _____	156 _____
3. Finished goods and goods for resale	157 _____	158 _____
4. Payments on account	159 _____	160 _____
II. Debtors	161 _____	162 _____
1. Trade debtors	163 <u>7.950.916.061,00</u>	164 <u>7.391.916.331,00</u>
a) becoming due and payable after less than one year	165 _____	166 _____
b) becoming due and payable after more than one year	167 _____	168 _____
2. Amounts owed by affiliated undertakings	169 _____	170 _____
a) becoming due and payable after less than one year	171 <u>596.023.174,00</u>	172 <u>567.323.828,00</u>
b) becoming due and payable after more than one year	173 <u>596.023.174,00</u>	174 <u>567.323.828,00</u>
3. Amounts owed by undertakings with which the company is linked by virtue of participating interests	175 _____	176 _____
a) becoming due and payable after less than one year	177 <u>7.354.068.800,00</u>	178 <u>6.823.665.696,00</u>
b) becoming due and payable after more than one year	179 <u>7.354.068.800,00</u>	180 <u>6.823.665.696,00</u>
4. Other debtors	181 _____	182 _____
a) becoming due and payable after less than one year	183 <u>824.087,00</u>	184 <u>926.807,00</u>
b) becoming due and payable after more than one year	185 <u>824.087,00</u>	186 <u>926.807,00</u>
III. Investments	187 _____	188 _____
1. Shares in affiliated undertakings and in undertakings with which the company is linked by virtue of participating interests	189 <u>539.695.820,00</u>	190 <u>609.901.991,00</u>
2. Own shares or own corporate units	191 _____	192 _____
3. Other investments	193 _____	194 _____
IV. Cash at bank and in hand	195 <u>539.695.820,00</u>	196 <u>609.901.991,00</u>
	197 <u>2.313.549.213,00</u>	198 <u>2.420.384.113,00</u>
E. Prepayments	199 <u>109.965.859,00</u>	200 <u>168.164.181,00</u>
TOTAL (ASSETS)	201 <u>11.079.855.098,00</u>	202 <u>10.755.799.835,00</u>

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LIABILITIES

	Financial year	Previous financial year
A. Capital and reserves		
	301 <u>288.693.442,00</u>	302 <u>287.476.935,00</u>
I. Subscribed capital	303 <u>251.494.000,00</u>	304 <u>251.494.000,00</u>
II. Share premium and similar premiums	305 _____	306 _____
III. Revaluation reserves	307 _____	308 _____
IV. Reserves	309 <u>13.634.500,00</u>	310 <u>13.479.450,00</u>
1. Legal reserve	311 <u>13.319.000,00</u>	312 <u>13.226.000,00</u>
2. Reserve for own shares	313 _____	314 _____
3. Reserves provided for by the articles of association	315 _____	316 _____
4. Other reserves	317 <u>315.500,00</u>	318 <u>253.450,00</u>
V. Profit or loss brought forward	319 <u>22.348.435,00</u>	320 <u>20.651.989,00</u>
VI. Result for the financial year	321 <u>1.216.507,00</u>	322 <u>1.851.496,00</u>
VII. Interim dividends	323 _____	324 _____
VIII. Investment subsidies	325 _____	326 _____
IX. Immunised appreciation	327 _____	328 _____
B. Subordinated creditors	329 _____	330 _____
C. Provisions		
	331 <u>543.178,00</u>	332 <u>773.816,00</u>
1. Provisions for pensions and similar obligations	333 _____	334 _____
2. Provisions for taxation	335 <u>543.178,00</u>	336 <u>773.816,00</u>
3. Other provisions	337 _____	338 _____
D. Non subordinated debts		
	339 <u>10.761.846.947,00</u>	340 <u>10.447.823.582,00</u>
1. Debenture loans	341 <u>9.116.344.930,00</u>	342 <u>8.033.399.354,00</u>
a) Convertible loans	343 _____	344 _____
i) becoming due and payable after less than one year	345 _____	346 _____
ii) becoming due and payable after more than one year	347 _____	348 _____
b) Non convertible loans	349 <u>9.116.344.930,00</u>	350 <u>8.033.399.354,00</u>
i) becoming due and payable after less than one year	351 <u>1.325.945.328,00</u>	352 <u>1.776.399.354,00</u>
ii) becoming due and payable after more than one year	353 <u>7.790.399.602,00</u>	354 <u>6.257.000.000,00</u>
2. Amounts owed to credit institutions	355 <u>115.012.894,00</u>	356 <u>135.668.912,00</u>
a) becoming due and payable after less than one year	357 <u>75.012.894,00</u>	358 <u>135.668.912,00</u>
b) becoming due and payable after more than one year	359 <u>40.000.000,00</u>	360 _____
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	361 _____	362 _____
a) becoming due and payable after less than one year	363 _____	364 _____
b) becoming due and payable after more than one year	365 _____	366 _____
4. Trade creditors	367 _____	368 _____
a) becoming due and payable after less than one year	369 _____	370 _____
b) becoming due and payable after more than one year	371 _____	372 _____

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	Financial year	Previous financial year
5. Bills of exchange payable	373 _____	374 _____
a) becoming due and payable after less than one year	375 _____	376 _____
b) becoming due and payable after more than one year	377 _____	378 _____
6. Amounts owed to affiliated undertakings	379 <u>1.530.146.299,00</u>	380 <u>2.278.300.442,00</u>
a) becoming due and payable after less than one year	381 <u>1.530.146.299,00</u>	382 <u>2.278.300.442,00</u>
b) becoming due and payable after more than one year	383 _____	384 _____
7. Amounts owed to undertakings with which the company is linked by virtue of participating interests	385 _____	386 _____
a) becoming due and payable after less than one year	387 _____	388 _____
b) becoming due and payable after more than one year	389 _____	390 _____
8. Tax and social security	391 _____	392 _____
a) Tax	393 _____	394 _____
b) Social security	395 _____	396 _____
9. Other creditors	397 <u>342.824,00</u>	398 <u>454.874,00</u>
a) becoming due and payable after less than one year	399 <u>342.824,00</u>	400 <u>454.874,00</u>
b) becoming due and payable after more than one year	401 _____	402 _____
E. Deferred income	403 <u>28.771.531,00</u>	404 <u>19.725.502,00</u>
TOTAL (LIABILITIES)	405 <u>11.079.855.098,00</u>	406 <u>10.755.799.835,00</u>

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PROFIT AND LOSS ACCOUNT**Financial year from** ⁰¹ 01/01/2012 **to** ⁰² 31/12/2012 (in ⁰³ EUR)

FIAT FINANCE AND TRADE LTD

24, boulevard Royal
L-2449 Luxembourg**A. CHARGES**

	Financial year	Previous financial year
1. Raw materials and consumables	601 _____	602 _____
2. Other external charges	603 _____	604 _____
3. Staff costs	605 <u>1.110.408,00</u>	606 <u>1.443.391,00</u>
a) Wages and salaries	607 <u>987.080,00</u>	608 <u>1.307.175,00</u>
b) Social security costs	609 <u>123.328,00</u>	610 <u>136.216,00</u>
c) Social security costs relating to pensions	611 _____	612 _____
d) Other social security costs	613 _____	614 _____
4. Value adjustments	615 <u>108.117,00</u>	616 <u>111.269,00</u>
a) on formation expenses and on tangible and intangible fixed assets	617 <u>108.117,00</u>	618 <u>111.269,00</u>
b) on elements of current assets	619 _____	620 _____
5. Other operating charges	621 <u>1.708.584,00</u>	622 <u>2.075.187,00</u>
6. Value adjustments and fair value adjustments on financial fixed assets	623 _____	624 _____
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	625 _____	626 _____
8. Interest payable and similar charges	627 <u>689.258.167,00</u>	628 <u>721.267.650,00</u>
a) concerning affiliated undertakings	629 <u>38.041.229,00</u>	630 <u>89.818.646,00</u>
b) other interest payable and similar charges	631 <u>651.216.938,00</u>	632 <u>631.449.004,00</u>
9. Extraordinary charges	633 _____	634 _____
10. Tax on profit or loss	635 <u>490.658,00</u>	636 <u>757.841,00</u>
11. Other taxes not included in the previous caption	637 _____	638 _____
12. Profit for the financial year	639 <u>1.216.507,00</u>	640 <u>1.851.496,00</u>
TOTAL CHARGES	641 <u>693.892.441,00</u>	642 <u>727.506.834,00</u>

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B. INCOME

	Financial year	Previous financial year
1. Net turnover	701 _____	702 _____
2. Change in inventories of finished goods and of work and contracts in progress	703 _____	704 _____
3. Fixed assets under development	705 _____	706 _____
4. Reversal of value adjustments	707 _____	708 _____
a) on formation expenses and on tangible and intangible fixed assets	709 _____	710 _____
b) on elements of current assets	711 _____	712 _____
5. Other operating income	713 _____	714 _____
6. Income from financial fixed assets	715 _____	716 _____
a) derived from affiliated undertakings	717 _____	718 _____
b) other income from participating interests	719 _____	720 _____
7. Income from financial current assets	721 <u>664.707.459,00</u>	722 <u>650.640.909,00</u>
a) derived from affiliated undertakings	723 <u>648.496.850,00</u>	724 <u>626.805.836,00</u>
b) other income	725 <u>16.210.609,00</u>	726 <u>23.835.073,00</u>
8. Other interests and other financial income	727 <u>29.184.982,00</u>	728 <u>76.865.925,00</u>
a) derived from affiliated undertakings	729 <u>589.135,00</u>	730 <u>1.087.839,00</u>
b) other interest receivable and similar income	731 <u>28.595.847,00</u>	732 <u>75.778.086,00</u>
9. Extraordinary income	733 _____	734 _____
10. Loss for the financial year	735 <u>0,00</u>	736 <u>0,00</u>
TOTAL INCOME	737 <u>693.892.441,00</u>	738 <u>727.506.834,00</u>

FIAT FINANCE AND TRADE LTD S.A.
(SOCIÉTÉ ANONYME)

**ANNUAL ACCOUNTS
AS AT 31 DECEMBER 2012
AND
INDEPENDENT AUDITOR'S REPORT**

**24 BOULEVARD ROYAL
L-2449 LUXEMBOURG**

R.C.S. Luxembourg: B 59500

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Ernst & Young
Société anonyme
7, rue Gabriel Lippmann
Parc d'Activité Syrdall 2
L-5365 Munsbach
B.P. 780
L-2017 Luxembourg
Tel: +352 42 124 1
Fax: +352 42 124 5555
www.ey.com/luxembourg

R.C.S. Luxembourg 8 47 771
TVA LU 16063074

Independent auditor's report

To the Shareholders of
Fiat Finance and Trade Ltd. S.A.
24 Boulevard Royal
L-2449 Luxembourg

Report on the annual accounts

Following our appointment by the General Meeting of the Shareholders dated 15 March 2012, we have audited the accompanying annual accounts of Fiat Finance and Trade Ltd. S.A., which comprise the balance sheet as at 31 December 2012 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Flat Finance and Trade Ltd. S.A. as of 31 December 2012, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements

The management report, including the corporate governance statement, which is the responsibility of the Board of Directors, is consistent with the annual accounts and includes the information required by the law with respect to the corporate governance statement.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'Yves Even', written over a light blue horizontal line.

Yves EVEN

Luxembourg, 25 February 2013

FIAT FINANCE AND TRADE LTD S.A.
Management Report
31 December 2012

Management Report

OPERATING ENVIRONMENT

GENERAL ECONOMIC ENVIRONMENT AND PERFORMANCE OF FINANCIAL MARKETS

International economy

In 2012 the global economy remained weak. The growth rate worldwide is expected at 2.2%, a slowdown compared to the previous year. Against the economic downturn of the Eurozone and the UK, growth in the US and Japan showed a modest pickup, whilst the economies of emerging countries, especially China and Brazil, displayed signs of a slowdown.

The economic trend was affected by a combination of factors. In Europe fears for the financial stability of some Countries and the stringent policies implemented to balance the Budgets affected growth significantly. In the US the risk of a failed agreement at political level that avoided a sudden and considerable tightening of the tax regime (so-called "fiscal cliff") generated uncertainty among consumers and enterprises. Weakness in the global economy led to a slowdown in China's exports that was only partly offset by a strong domestic demand and investments in infrastructures.

Overall inflation continues to fall, reflecting the weakness of the current cycle and the drop in the prices of energy commodities. In the Eurozone and the US the trend in consumer prices dropped to 2.5% and 2.2% on the previous year respectively. In Japan deflationary trends continue.

In the face of large unused capacity, risks of further economic contraction and low inflationary expectations, the central banks of developed countries resorted to unconventional expansionary measures. Also the central banks of the main emerging countries continued to gradually slacken their monetary policies by cutting interest rates.

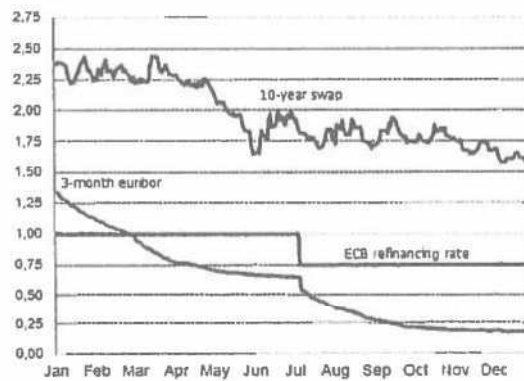
In the Eurozone, the effects of the consolidation of public budgets and the stringent tax policies implemented in 2012 were also felt by more solid economies. The expected growth rate is negative (-0.5% on the previous year). The economic cycle also suffered from prolonged tensions in the financial market which eased considerably in the second half of the year thanks to the strong ECB's commitment towards the single currency, especially following the introduction of the "Outright Monetary Transactions" programme. Also the decisions taken at European level to support Greece and the agreement on the setting up of a single banking supervisory mechanism played an important role in protecting sovereign debt, contributing to an improvement in the financial conditions of the most exposed Countries.

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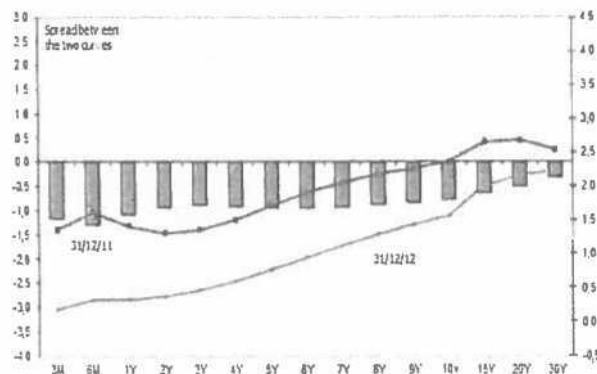
Financial Markets

In Europe the ECB responded to a worsened economic scenario by slightly easing its monetary policy. In July the Central Bank cut the refinancing rate by 25 basis points down to 0.75%. The Eonia and the 3-month Euribor rates have progressively fallen during the year reaching their all-time-low at the year-end (0.06% and 0.19%). Consequently, the Euro rate curve fell considerably compared to the previous year, the 3-month Euribor standing at 0.19% (down from 1.30%) at the year end, and the 10-year swap rate falling to 1.56% (from 2.40%).

Euro interest rates



Euro yield curve



FIAT FINANCE AND TRADE LTD S.A.
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Exchange rates

In 2012 the European single currency experienced a see-sawing trend. For the first part of the year the Euro was heavily impacted by expectations of low economic growth and fears for the sustainability of the debt of "peripheral" Eurozone countries. The European currency opened the year at 1.29 against the US dollar and hit its low of 1.21 in July; from July onwards, the single currency was strongly supported by the ECB and was able to resume the values at the start of the year, closing stronger at 1.32 (2%) at the end of December. The Euro gained considerable ground against the Japanese Yen (13%) whereas it was flat against the British Pound (-2%) and the Swiss Franc (-1%).

EUR/USD exchange rates



MAIN RISKS AND UNCERTAINTIES TO WHICH THE COMPANY AND ITS GROUP ARE EXPOSED

The Group's earnings and financial position may be influenced by various macroeconomic factors – including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit, the energy prices, the cost of commodities or other raw materials and the rate of unemployment – within the various countries in which it operates.

The 2012 weak economic conditions resulted in a significant decline in demand for most of the Group's products. The current economic weakness in the Euro zone, cast serious uncertainty on the possible evolution of the economic activity in this region in the foreseeable future. In Europe, despite the measures taken by several governments, international and supranational organizations and monetary authorities to provide financial assistance to euro area member states of the European Union in economic difficulty concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations.

These potential developments could adversely affect the businesses and operations of the Group. In general, the sector in which the Group operates have historically been subject to highly cyclical demand and tend to reflect the overall performance of the economy, in certain cases even amplifying the effects of economic trends. Given the difficulty in predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for or supply of products sold by the Group in any of the markets in which it operates.

FIAT FINANCE AND TRADE LTD S.A.
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Additionally, even in the absence of slow growth or recession, other economic circumstances – such as increases in energy prices, fluctuations in prices of raw materials or contractions in infrastructure spending – could have negative consequences for the industry in which the Group operates and, together with the other factors referred to previously, could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

CORPORATE GOVERNANCE STATEMENT

Fiat Finance and Trade Ltd. S.A. acts, both directly and through its subsidiaries and branches, as the treasury and financing vehicle of the Fiat S.p.A. Group companies outside Italy, operating in accordance with general strategic guidelines issued by its ultimate parent company, Fiat S.p.A.. That activity is generally advantageous to the Company's activities.

Direction and coordination activities consist in the definition and updating of Group-wide models for the system of internal control, corporate governance and organizational structure, the dissemination of a Code of Conduct, which is adopted throughout the Group, and the establishment of general policies for the management of human and financial resources. Group coordination also includes centralized management of corporate, administrative, tax and internal audit services through specialized companies.

Consistent with the above, the Company, which retains full management and operating autonomy, adopted a Code of Conduct that sets out the principles of professional conduct adhered to by the Company and Fiat Group. The Company, together with its shareholders Fiat S.p.A. and Fiat Finance S.p.A., has also established and maintains a model of corporate governance and internal control through its organizational and reporting structure, a Compliance Program, which is continually revised to reflect legislative changes, and a system of internal procedures.

INTERNAL CONTROL SYSTEM

The various corporate departments, with the support of Fiat Group's Internal Audit, acted to ensure compliance with best management practices and the adequacy of the organizational structure and internal procedures. The Compliance Officer and the Compliance Program Supervisory Body at Group level (the institutional roles with responsibility for control) perform their activities in close collaboration with the management keeping them constantly apprised of the outcome of audits conducted and any need for improvement.

Overall, the Internal Control System operated alongside core business processes to enhance operating activities and manage the related risks, supporting management in the pursuit of its corporate objectives, in accordance with law and internal policies and procedures.

CODE OF CONDUCT

The Board of Directors formally adopted the Fiat Group's new Code of Conduct, which reinforces the principles of sustainability, making express reference to compliance with the United Nations' Universal Declaration of Human Rights, the principal Conventions of the International Labor Organization (I.L.O.), the OECD Guidelines for Multinational Enterprises, and the United States Foreign Corrupt Practices Act (FCPA). Greater attention has been dedicated to issues relating to health and safety in the workplace and protection of the environment, with an emphasis on preventive risk assessment together with definition of the specific responsibilities of employees. The main issues addressed in the Code are set out in specific guidelines. The Code can be publicly consulted on the internet web site of Fiat S.p.A..

FIAT FINANCE AND TRADE LTD S.A.
Management Report
31 December 2012

OPERATING PERFORMANCE AND ANALYSIS OF THE FINANCIAL POSITION

Fiat Finance and Trade Ltd. S.A. is the Fiat Group's most important cash-pooling and treasury vehicle in European and International financial markets.

Fiat Finance and Trade Ltd. S.A., which is registered in Luxembourg, operates through its branch office in London, where its front office activities are concentrated. An additional branch located in Spain provides financial consultancy services to Fiat companies in that country.

In 2011, in order to concentrate on one single entity the participations of the treasury companies operating in North America, the Company bought from Fiat Finance S.p.A. and Fiat S.p.A. their participations in Fiat Finance North America Inc. and from Fiat Finance S.p.A. the participation in Fiat Finance Canada Ltd..

Fiat Finance and Trade Ltd. S.A. manages cash pooling structures in Austria, Belgium, Denmark, Germany, the Netherlands, Spain, Switzerland and the United Kingdom and Slovakia. Through these structures, amounts in domestic cash pools are concentrated and then transferred to a central Fiat Finance and Trade Ltd. S.A. account (Euro Master Account) to allow for consolidated cash management at European level.

The net cash flow related to capital market transactions was positive in 2012 for approximately EUR 1.1 billion. This was mainly due to the fact that five new bonds were issued for a total amount of EUR (equivalent) 2.5 billion:

ISIN	Type	Distribution	Currency	Issue date	Maturity	Ccy Outstanding
XS0805410239	MTN	Syndicated	EUR	16-Jul-12	17-Oct-16	600,000,000
XS0764640149	MTN	Syndicated	EUR	23-Mar-12	23-Mar-17	850,000,000
XS0860567121	MTN	Syndicated	EUR	29-Nov-12	17-Oct-16	400,000,000
CH0148606178	MTN	Syndicated	CHF	07-Mar-12	07-Sept-15	425,000,000
CH0197841544	MTN	Syndicated	CHF	23-Nov-12	23-Nov-16	400,000,000

FFT reimbursed the following Notes in 2012 for a total amount of EUR 1.45 billion:

ISIN	Type	Distribution	Currency	Issue date	Maturity	Ccy Outstanding
XS0442431564	MTN	Syndicated	EUR	28-Jul-09	30-Jul-12	1,250,000,000
XS0474906699	MTN	Private	EUR	18-Dec-09	18-Dec-12	200,000,000

Fiat Finance North America Inc. and Fiat Finance Canada Ltd. are co-issuers under the same Programme.

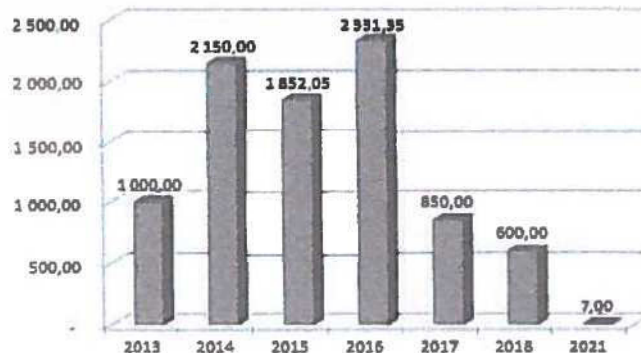
At year-end, there were other securities outstanding for EUR 16.9 million (Billets de Trésorerie).

All Fiat Finance and Trade Ltd. S.A. bond issues are guaranteed by Fiat S.p.A..

FIAT FINANCE AND TRADE LTD S.A.
Management Report
31 December 2012

Schedule of bonds maturities at 31 December 2012 (in EUR million)

Repayment Profile



During the year liquidity was invested according to a conservative approach, combining ready availability of the investment with creditworthiness of counterparties. Excess cash was maintained in demand or invested in short-term deposits and high yield current accounts with major financial institutions and in the highest rated Money Market Funds.

From a financial point of view all derivatives are entered into for hedging purposes; derivatives that do not apply for hedge accounting treatment have always a hedge rational. During 2011 part of the IRS covering outstanding bonds have been unwound via new off-setting IRS ("mirror swaps"). In those cases both of them have been subsequently classified as trading derivatives.

The Company closed the year with a profit of EUR 1.2 million compared with a profit of EUR 1.9 million in 2011.

For the year 2013, we do not expect any relevant changes in the companies' activities and results.

By order of the Board of Directors

Leonardo Cecchetti
 Chairman of the Board

FIAT FINANCE AND TRADE LTD S.A.

31 December 2012

Legal and Financial Information

DIRECTORS' RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

1. the annual accounts of Fiat Finance and Trade Ltd. S.A. presented in this Annual Report and established in conformity with measurement and recognition criteria of the financial reporting framework in Luxembourg give a true and fair view of the assets, liabilities, financial position and profit of Fiat Finance and Trade Ltd. S.A. at 31 December 2012; and
2. the management report includes a fair review of the development and performance of the business and position of Fiat Finance and Trade Ltd. S.A. at 31 December 2012 and a description of the principal risks and uncertainties they face.

By order of the Board of Directors

Leonardo Cecchetti
Chairman of the Board

February 25th, 2013



FIAT FINANCE AND TRADE LTD S.A.**NOTES TO THE ANNUAL ACCOUNTS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011
(Expressed in EUR, unless otherwise stated)****FORMATION AND ACTIVITIES OF THE COMPANY**

Fiat Finance and Trade Ltd S.A. ("the Company"), was incorporated on 18 June 1997 under the laws of Luxembourg for an unlimited period of time.

The Company's registered office is at 24 Boulevard Royal, L-2449 Luxembourg and is registered in the Luxembourg trade register under the number B 59500, TVA LU20771477.

The Company shares are held for 60.003% by Fiat Finance S.p.A., and for 39.997% by Fiat S.p.A, which is also ultimate parent company of Fiat S.p.A. Group ("the Group").

In 2011 the Company acquired the entire (aggregate 100%) stakes in Fiat Finance North America Inc. previously held by the Fiat S.p.A. and by Fiat Finance S.p.A., and the entire (100%) stakes in Fiat Finance Canada Ltd. previously held by Fiat Finance S.p.A..

The Company prepares Consolidated Financial Statements in Luxembourg in accordance with International Financial Reporting Standards (IFRS).

The Company acts as the treasury and financing vehicle of the Group companies outside Italy.

It operates on the international financial markets. The Company funds Group companies and invests surplus funds in other investments and with banks. The Company's principal source of funds is obtained by the public issue of debt (bonds) and lines of credit with banks.

The presentation of segmental financial information is not considered applicable due to the centralised functions of the Company.

The Company has branches in the UK (London) and Spain (Madrid). The aim of the branches is to assist the Company in managing financial services for the Group subsidiaries.

The number of persons employed by the Company as at 31 December 2012 amounts to 14: 8 in Luxembourg, 4 in United Kingdom, 2 in Spain.

It is the intention of the Company's management to optimise the centralisation of funds. The Company administers the centralised treasury and financing functions of the Group by effectively managing risk, as explained in note 14 below.

SIGNIFICANT ACCOUNTING POLICIES**Basis of accounting**

The financial statements for the year ended 31 December 2012 have been prepared in accordance with accounting principles generally accepted and rules and regulations in force in the Grand Duchy of Luxembourg.

The 2011 financial statements have been reclassified in order to facilitate the comparison with the presentation adopted in 2012. Main changes concern reclassification of the accrued interests from accrued income and expenses to their related financial item.

Foreign currency transactions

The accounting records of the Company are maintained in Euro (EUR), which represents the main functional currency of the Company; the financial statements are denominated in this currency.

Assets and liabilities denominated in currencies other than EUR are translated into EUR at the exchange rates prevailing at the balance sheet date. Income and expenses denominated in foreign currencies are converted into EUR at the exchange rates prevailing on the transaction date. Both unrealised and realised foreign exchange differences are recognised in the profit and loss account.

FIAT FINANCE AND TRADE LTD S.A.

**NOTES TO THE ANNUAL ACCOUNTS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011
(Expressed in EUR, unless otherwise stated) (continued)**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

Derivatives financial Instruments

From a financial point of view all derivatives are entered into for hedging purposes; derivatives that do not apply for hedge accounting treatment have always a hedge rational. In particular during 2011 part of the IRS covering outstanding bonds have been unwound via new off-setting IRS ("mirror swaps"). In those cases both of them have been subsequently classified as trading derivatives.

Forward foreign exchange contracts

All forward foreign exchange contracts are accounted for as notional loans and deposits in the off balance sheet accounts. The Mark-to-Market on these notional loans and deposits is accrued in the balance sheet as accrued income or accrued expenses and included in the profit and loss account on a net basis.

Swaps

Swaps comprise interest rate swaps and currency swaps which are stated at their notional values at the balance sheet date in the off balance sheet accounts.

The notional values serve as a reference for determining the Interest streams. The interest streams receivable and payable are recognised in the profit and loss account on an accruals basis.

The notional amounts denominated in foreign currencies are translated into EUR at the exchange rates prevailing at the balance sheet date. Translation differences are recorded on the balance sheet as accrued income or other creditors or liabilities and are included in the profit and loss account.

Forward rate agreements (FRA's)

FRA contracts are stated at their notional values at the balance sheet date in the off balance sheet accounts.

The interest income and expense on settled FRA contracts are deferred and recognised net in the profit and loss account on an accruals basis, under the item net result on off-balance sheet items.

The notional amounts denominated in foreign currencies are translated into EUR at the exchange rates prevailing at the balance sheet date.

Tangible and intangible assets

Tangible and intangible assets are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to reduce the carrying value over its useful economic life.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011 (Expressed in EUR, unless otherwise stated) (continued)

Non convertible loans

Bonds are disclosed at their repayment value. Costs associated with issuing debt (such as, for example, fees and commissions paid to banks, law firms, auditors and regulators) are capitalised and reflected in the balance sheet as an asset, and amortised over the remaining life of the underlying debt instrument. The unamortised amounts are included in deferred charges.

Titres de créances négociables (TCNs programme)

Starting on 12 December 2005 the Company relieved Fiat France S.A. in the TCNs Programme with a maximum aggregate nominal amount of EUR 1 billion totally guaranteed by Fiat S.p.A..

Societe Generale S.A., with registered office at 29 boulevard Haussmann in Paris, is appointed as issuing and paying agent, without exclusion of other financial institution authorised by Banque de France.

The interest payable is recognised in the income statement on an accrual interest basis.

Debtors

Debtor balances are recorded at nominal amount. Value adjustments, if any, are made for any permanent impairment in value.

Other assets and liabilities

Unless otherwise stated, all other assets and liabilities are stated at their nominal values.

Investments

Other investments are composed of liquidity funds. Rated AA+ by S&P and/or AAA by Moody's these funds invest in short term high quality money market instruments. The product offers same value day liquidity and an attractive yield compared with time deposits.

Cash and cash equivalents

Cash and cash equivalents comprise amounts due from banks with an original average maturity up to 3 months.

Income recognition

Income and expenses are recognised when earned or incurred on an accruals basis.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 1 - INTANGIBLE ASSETS

	31 December 2011	Additions of the year	Amortization of the year	Reductions and other changes of the year	31 December 2012
Gross carrying amount	495,639	344,996	-	(383,701)	456,934
Cumulated amortization	(474,507)	-	(44,345)	363,701	(135,151)
Net carrying amount	21,132	344,996	(44,345)	-	321,783

	1 January 2011	Additions of the year	Amortization of the year	Reductions and other changes of the year	31 December 2011
Gross carrying amount	1,003,505	-	-	(507,666)	495,639
Accumulated amortization	(924,165)	-	(58,206)	507,666	(474,507)
Net carrying amount	79,340	-	(58,206)	-	21,132

NOTE 2 - TANGIBLE ASSETS

	31 December 2011	Additions of the year	Amortization of the year	Reductions and other changes of the year	31 December 2012
Gross carrying amount	319,911	71,494	-	(34,580)	356,825
Accumulated amortization	(152,233)	-	(63,772)	21,132	(194,872)
Net carrying amount	167,678	71,494	(63,772)	(13,448)	161,953

	1 January 2011	Additions of the year	Amortization of the year	Reductions and other changes of the year	31 December 2011
Gross carrying amount	832,241	155,179	-	(667,509)	319,911
Accumulated amortization	(756,282)	-	(63,461)	667,509	(152,233)
Net carrying amount	75,960	155,179	(63,461)	-	167,678

FIAT FINANCE AND TRADE LTD S.A.**NOTES TO THE ANNUAL ACCOUNTS****FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011****(Expressed in EUR, unless otherwise stated) (continued)****NOTE 3 - FINANCIAL ASSETS**

On December 15th, 2011 in order to concentrate on one single entity the participations of the treasury companies operating in North America, the Company bought from Fiat Finance S.p.A. and Fiat S.p.A. their participations in Fiat Finance North America Inc. and from Fiat Finance S.p.A. the participation in Fiat Finance Canada Ltd..

Fully-controlled subsidiaries	Carrying amount	% of share capital	% voting shares	Registered office	Result for latest financial year*	Net asset value*	Listed (Yes/No)
FIAT FINANCE CANADA LTD.	15,830,469	100.00%	100.00%	Calgary (Canada)	80,128	18,389,829	No
FIAT FINANCE NORTH AMERICA INC.	149,413,940	100.00%	100.00%	Wilmington (USA)	872,413	152,393,577	No
Total	165,244,409				952,541	168,783,406	

* Based on audited statutory Financial Statements as of 31 December 2012, amounts converted into EUR at the exchange rates prevailing at the balance sheet date.

Purchase Price for Fiat Finance Canada Ltd.

The Purchase Price consisted of an aggregate amount in cash equal to the value of the Canadian Shares presently sold as determined on the basis of the Company's estimated Net Asset Value as at December 31, 2011 as shown in the table below, converted in Euro at the ECB fixing of December 13th, 2011.

Capital Stock	CAD	10,099,885
Reserve	CAD	11,300,574
(Forecasted) Net Income	CAD	15,000
Net Asset Value	CAD	21,415,459
BCE Fixing	@	1.3528
Net Asset Value	EUR	15,830,469

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

Purchase Price for Fiat Finance North America Inc.

The Purchase Price consisted of the aggregate amount in cash equal to the value of the US Shares presently sold as determined on the basis of the Company's estimated Net Asset Value as at December 31, 2011 as shown in the table below, converted in Euro at the ECB fixing of December 13th, 2011.

Capital Stock	USD	190,090,010
Reserve	USD	16,092,293
Cash flow hedge	USD	(9,539,789)
(Forecasted) Net income	USD	300,000
Net Asset Value	USD	196,942,514
BCE Fixing	@	1.3181
Net Asset Value	EUR	149,413,940

NOTE 4 - AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

	31.12.2012 EUR	31.12.2011 EUR
Current accounts		
<i>Nominal</i>	7,626,578,925	7,092,023,642
<i>Accrued interest</i>	1,506,953	1,118,456
Receivable, short term portion		
<i>Nominal</i>	319,899,175	294,136,283
<i>Accrued interest</i>	2,106,921	3,711,143
Total receivable short term portion	<u>7,950,091,974</u>	<u>7,930,989,524</u>

All transactions with affiliated undertakings have been concluded at market conditions and relate to treasury services provided to the Group subsidiaries as per the Company by-laws.

NOTE 5 – OTHER INVESTMENTS

	31.12.2012 EUR	31.12.2011 EUR
Liquidity funds		
<i>Nominal</i>	539,650,410	609,840,000
<i>Accrued interest</i>	45,410	61,991
	<u>539,695,820</u>	<u>609,901,991</u>

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 6 - CASH AT BANK AND IN HAND

	31.12.2012 EUR	31.12.2011 EUR
Bank current accounts		
<i>Nominal</i>	1,057,522,278	463,297,456
<i>Accrued interest</i>	249,732	1,502,397
Short term deposits		
<i>Nominal</i>	1,255,688,887	1,955,118,025
<i>Accrued interest</i>	88,316	466,235
	<u>2,313,549,213</u>	<u>2,420,384,113</u>

NOTE 7 - PREPAYMENTS

	31.12.2012 EUR	31.12.2011 EUR
Accrued income		
<i>Unrealized gain on forward foreign exchange contracts</i>	3,027,631	12,710,049
<i>Accrued interest on interest rate swaps</i>	26,604,139	76,942,877
<i>Accrued interest and exchange difference on interest rate and cross currency swaps</i>	7,365,838	-
	<u>36,997,608</u>	<u>89,652,926</u>
Deferred charges		
<i>Deferred expenses on issued bonds and credit lines</i>	72,772,700	78,211,993
<i>Prepaid expenses</i>	195,551	299,262
	<u>72,968,251</u>	<u>78,511,255</u>
	<u>109,965,859</u>	<u>168,164,181</u>

Deferred expenses are related to the non-amortised costs directly associated with the issuance of bonds and bank credit lines. For detail of the costs amortised during the year, please refer to NOTE 16.

FIAT FINANCE AND TRADE LTD S.A.**NOTES TO THE ANNUAL ACCOUNTS****FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011****(Expressed in EUR, unless otherwise stated) (continued)****NOTE 8 - SHAREHOLDERS' EQUITY**

The movements of shareholder's equity are summarised as follows (amounts expressed in EUR thousands):

	Subscribed Capital	Legal Reserve	Other Reserves	Retained Earnings	Result for the year	TOTAL SHAREHOLDERS' EQUITY
Balance at 01.01.2011	<u>251,494</u>	<u>13,139</u>	<u>206</u>	<u>19,049</u>	<u>1,737</u>	<u>285,625</u>
Allocation to retained earnings	-	-	-	1,737	(1,737)	-
Allocation to legal reserve	-	87	-	(87)	-	-
Allocation to other reserves	-	-	47	(47)	-	-
Result for the financial year	-	-	-	-	1,851	1,851
Balance at 31.12.2011	<u>251,494</u>	<u>13,226</u>	<u>253</u>	<u>20,652</u>	<u>1,851</u>	<u>287,476</u>
Allocation to retained earnings	-	-	-	1,851	(1,851)	-
Allocation to legal reserve	-	93	-	(93)	-	-
Allocation to other reserves	-	-	62	(62)	-	-
Result for the financial year	-	-	-	-	1,217	1,217
Balance at 31.12.2012	<u>251,494</u>	<u>13,319</u>	<u>315</u>	<u>22,348</u>	<u>1,217</u>	<u>288,693</u>

Subscribed capital

The share capital of the Company amounts to EUR 251,494,000 represented by 13,416 shares fully subscribed and paid up with no nominal value.

Legal reserve

Under Luxembourg Law the Company must appropriate to a legal reserve a minimum of 5% of the annual net profit until such reserve is equal to 10% of the issued share capital. The legal reserve is not available for distribution.

Other reserves

In accordance with the provisions of the Luxembourg tax law, the Company opted for the reduction of the net worth tax by posting an amount equivalent to five times the net worth tax due to "Other Reserves". This reserve is to be maintained for a period of five years following the year in which the net worth tax was reduced.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011
 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 9 - PROVISIONS FOR TAXATION

The company is subject to all taxes applicable to commercial companies in Luxembourg.

NOTE 10 - NON CONVERTIBLE LOANS

The Company issues long term debt securities at mainly fixed interest rates. The bonds and notes are unconditionally and irrevocably guaranteed by the ultimate parent company Fiat S.p.A..

	Currency	31.12.2012 EUR	31.12.2011 EUR
EUR		-	1,450,000,000
EUR - Billet de trésorerie (TCNs) due within one year		-	39,300,983
EUR - accrual bonds and TCNs		-	287,098,371
Repayable in year 2012		-	1,776,399,354
EUR		1,000,000,000	1,000,000,000
EUR - Billet de trésorerie (TCNs) due within one year		16,970,344	-
EUR - accrual bonds and TCNs		301,661,803	-
CHF - accrual bonds	8,828,472	7,313,181	-
Repayable in year 2013		1,325,945,328	1,000,000,000
EUR		2,150,000,000	2,150,000,000
Repayable in year 2014		2,150,000,000	2,150,000,000
EUR		1,500,000,000	1,500,000,000
CHF	425,000,000	352,054,341	-
Repayable in year 2015		1,852,054,341	1,500,000,000
EUR		2,000,000,000	1,000,000,000
CHF	400,000,000	331,345,261	-
Repayable in year 2016		2,331,345,261	1,000,000,000
EUR		850,000,000	-
Repayable in year 2017		850,000,000	-
EUR		600,000,000	600,000,000
Repayable in year 2018		600,000,000	600,000,000
EUR		7,000,000	7,000,000
Repayable in year 2021		7,000,000	7,000,000
Total repayable after more than one year		7,790,399,602	6,257,000,000

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

Most of the outstanding bonds and notes have been issued under a Global Medium Term Note Programme (GMTN) which increased from EUR 3 billion to EUR 6 billion on 21 February 2000, to EUR 10 billion on 27 July 2000 and to EUR 15 billion on 18 May 2001. Fiat Finance Canada Ltd. and Fiat Finance North America Inc. have been added to the Programme as additional issuers. In 2006 the company issued one bond of EUR 1 billion repayable in 2013 outside the GMTN Programme.

TCNs Programme is, with a maximum aggregate nominal amount of EUR 1 billion, still in place and totally guaranteed by Fiat S.p.A..

NOTE 11 - AMOUNTS OWED TO CREDIT INSTITUTIONS

	31.12.2012 EUR	31.12.2011 EUR
Bank current accounts	-	633,943
Short term borrowings		
<i>Nominal</i>	75,000,000	135,000,000
<i>Accrued interest</i>	12,894	34,970
Long term borrowings	40,000,000	-
	<u>115,012,894</u>	<u>135,668,913</u>

Short term borrowings relate to draw downs of medium term committed credit lines, long term borrowings relates to term loans expiring after more than one year.

NOTE 12 - AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

	31.12.2012 EUR	31.12.2011 EUR
Current accounts		
<i>Nominal</i>	684,476,782	724,183,899
<i>Accrued interest</i>	596,103	992,676
Short term borrowings		
<i>Nominal</i>	844,693,414	1,550,401,804
<i>Accrued interest</i>	380,000	2,722,063
	<u>1,530,146,299</u>	<u>2,278,300,442</u>

All transactions with affiliated undertakings have been concluded at market conditions and relate to treasury services provided to the Group subsidiaries as per the Company by-laws.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 13 - DEFERRED INCOME

	31.12.2012 EUR	31.12.2011 EUR
Accrued expenses		
<i>Unrealized loss on forward foreign exchange contracts</i>	376,248	1,973,856
<i>Accrued interest on interest rate swaps</i>	15,425,143	4,104,056
<i>Accrued interest and difference exchange on cross currency swaps</i>	2,506,436	-
<i>Other</i>	4,639,946	3,177,001
	<u>22,947,773</u>	<u>9,254,913</u>
Other deferred income	5,823,758	10,470,589
	<u>28,771,531</u>	<u>19,725,502</u>

Other deferred income refers to the future remaining portion of the income achieved with the unwinding of some hedging instruments; this income is amortized over the residual life of the previously hedged financial instruments. The premiums on bonds issued in November 2012 are amortized over the residual life of bonds.

NOTE 14 - FINANCIAL INSTRUMENTS AND DERIVATIVES

Treasury activity

As required by the Group's financial risk management policy, the Company regularly assesses and manages its exposure to financial risks. The Group's risk management programs do not use complex or leveraged instruments and future contracts do not form part of the programs. Accordingly, management believe that these risks are managed in a conservative and prudent manner as follows:

Investment activity

The Company's treasury activity comprises investing surplus liquidity received either from other Group companies or from the market through debt instruments.

All investments entered into by the Company are made according to a conservative investment policy, with the objective of effectively managing the financial risks incurred by the Company.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

Foreign currency risk

Exposure to foreign currency risk arises mainly due to the geographical diversity of the Group's activities and Group companies to which cash management and other treasury services are provided.

The Company seeks to minimise this exposure mainly by the use of forward foreign exchange contracts and currency swaps.

Interest rate risk

Exposure to interest rate risk arises mainly due to the different maturities and interest rate structures of assets and liabilities.

The Company seeks to remove any undesired exposure mainly by the use of interest rate swaps and forward rate agreements.

Credit risk

Exposure to third party credit risk is managed by the establishment and monitoring of counter-party limits which are largely functions of the counter-party rating. Financial instruments are distributed among financial institutions, which have a high credit rating.

Liquidity risk

Liquidity risk arises if the Company is unable to obtain, at economical terms, the funding needed to carry out its operating activities.

It is the Company's policy to maintain liquidity in demand or short-term deposits and negotiable money market instruments, dividing such investments over an appropriate number of counterparties, primarily banking institutions, with the principal purpose of having ready availability to those investments. Counterparties are selected according to their creditworthiness, reliability and the quality of service provided.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

Notional amounts of off balance sheet financial instruments and derivatives are presented below:

(Amounts expressed in EUR thousands)

	31.12.2012 EUR	31.12.2011 EUR
Forward foreign exchange contracts	399,424	740,742
Interest rate swaps	3,614,000	6,425,980
Cross currency swaps	683,400	-
Forward rate agreements	40,000	-
	<u>4,736,824</u>	<u>7,166,722</u>

Fair value of off balance sheet financial instruments and derivatives as at 31 December 2012 (in EUR million)

	Nominal value	Carrying value	Fair value	Difference
Forward foreign exchange contracts	399.4	2.7	2.7	-
Interest rate swaps	3,614.0	11.2	55.1	43.9
Cross currency swaps	683.4	5.5	(1.9)	(7.4)
Forward rate agreements	40.0	-	-	-
	<u>4,736.8</u>	<u>19.4</u>	<u>55.9</u>	<u>36.5</u>

The above fair values have been determined by reference to available market information and the following methodologies:

<u>Financial instrument</u>	<u>Fair value method</u>
Forward foreign exchange contracts	Forward exchange rate estimated on the basis of the forward exchange and interest rates at year end
Interest rate swaps and forward start swaps	Discounted cash flow of expected interest streams
Forward rate agreements	Discounted cash flow of expected interest differential

Due to management judgement required in interpreting market information, the estimates presented above may approximate the amounts that the Company could realise in a current market transaction.

In applying discounted cash flow techniques, a discount rate commensurate with market conditions at 31 December 2012, the relevant currency and the risk of the underlying instrument was used.

In all cases, fair values were translated into EUR using the exchange rates ruling at the balance sheet date.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 15 - OTHER OPERATING CHARGES

	31.12.2012 EUR	31.12.2011 EUR
Rental and additional charges	390,836	250,466
Services acquired	826,233	1,241,475
Audit fees	82,307	100,000
IT maintenance, legal and consulting fees	409,208	483,246
	<u>1,708,584</u>	<u>2,075,187</u>

NOTE 16 - INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.2012 EUR	31.12.2011 EUR
Concerning affiliated undertaking		
<i>Interest payable (NOTE 12)</i>	38,041,229	55,552,640
<i>Foreign exchange loss (gain)</i>	-	34,266,006
	<u>38,041,229</u>	<u>89,818,646</u>
Other interest payable and similar charges		
<i>Banks (NOTE 11)</i>	1,712,262	10,093,660
<i>Bonds (NOTE 10)</i>	592,098,831	574,560,953
<i>Amortized commissions on credit lines (NOTE 7)</i>	31,645,316	25,667,621
<i>Amortized commissions on bond issues (NOTE 7)</i>	23,001,844	21,735,190
<i>Bonds' guarantee costs and other fees and commissions</i>	2,758,685	2,915,500
<i>Foreign exchange loss (gain)</i>	-	(3,523,920)
	<u>651,216,938</u>	<u>631,449,004</u>
	<u>689,258,167</u>	<u>721,267,650</u>

Foreign exchange result is compensated by valuation gains realized on foreign exchange derivatives and by items included in the interest payable and receivable. Therefore the impact on revaluation of foreign currency financial assets and liabilities and the impact on revaluation of outstanding exchange currency derivatives represent an economic hedge.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 17 - INCOME FROM FINANCIAL CURRENT ASSETS

	31.12.2012 EUR	31.12.2011 EUR
Concerning affiliated undertakings		
<i>Interest receivable (NOTE 4)</i>	647,232,868	626,805,836
<i>Foreign exchange gain (loss)</i>	<u>1,263,982</u>	<u>-</u>
	648,496,850	626,805,836
Other income		
<i>Banks (NOTE 6)</i>	12,640,570	16,345,883
<i>Other investments (NOTE 5)</i>	780,590	7,489,190
<i>Foreign exchange gain (loss)</i>	<u>2,789,449</u>	<u>-</u>
	16,210,609	23,835,073
	<u>664,707,459</u>	<u>650,640,909</u>

For the year ended 31 December 2012, income from other investments is composed of interest on Liquidity Funds.

NOTE 18 - OTHER INTERESTS AND OTHER FINANCIAL INCOME

	31.12.2012 EUR	31.12.2011 EUR
Net result on off-balance sheet items (NOTE 14)		
<i>Forward foreign exchange contracts</i>		
(NOTES 7 AND 13)	(8,084,810)	25,827,671
<i>Interest rate swaps (NOTES 7 AND 13)</i>	28,915,438	48,433,804
<i>Cross currency swaps (NOTES 7 AND 13)</i>	(2,905,962)	-
<i>Forward rate agreements (NOTE 14)</i>	<u>9,244</u>	<u>(30,121)</u>
	17,933,910	74,231,354
Other financial income		
<i>Income from affiliated undertakings</i>	589,135	1,087,839
<i>Premiums on bonds</i>	10,649,927	1,515,545
<i>Other (NOTES 7 AND 13)</i>	<u>12,010</u>	<u>31,187</u>
	11,251,072	2,634,571
	<u>29,184,982</u>	<u>76,865,925</u>

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 19 - COMMITMENTS AND CONTINGENCIES

As of 31 December 2012, the Company has issued guarantees in favour of Group Companies for a total amount of EUR 10,772,314 to different banks.

NOTE 20 - CONSOLIDATION

The Company's accounts are included in the consolidated accounts of Fiat S.p.A., whose registered office is located in Italy (Turin) and are prepared in accordance with International Financial Reporting Standards (IFRS).

A copy of the mentioned consolidated financial statements is available on the internet web site of Fiat S.p.A..

Starting 31 December 2011, the Company prepares consolidated financial statements in Luxembourg in accordance with International Financial Reporting Standards (IFRS).

NOTE 21 – SUBSEQUENT EVENTS

There have been no events subsequent to the balance sheet date which require adjustment of or disclosure in the annual accounts or Notes.

Capital:

The registered capital of the company is set at TWO HUNDRED FIFTY-ONE MILLION FOUR HUNDRED NINETY-FOUR THOUSAND EURO (251.494.000,-) represented by THIRTEEN THOUSAND FOUR HUNDRED SIXTEEN (13.416) shares without nominal value.

Board of Directors (at 31 December 2012):

Mr Leonardo CECCHETTI, company director, residing at 24, boulevard Royal, L-2449 Luxembourg

Mr Jacque LOESCH, lawyer, residing at 35, Avenue John F. Kennedy, L-1856 Luxembourg

Mrs Marella MORETTI, company director, residing at 6 rue Nicolas Copernic, F-78190 Trappes

Independent auditor:

Ernst & Young Luxembourg SA, réviseur d'entreprises agréée, Luxembourg

Excerpt of the minutes of the general meeting held on February 25th 2013

RESOLVED to appropriate the available balance profit of EUR 1.216.507 as follows:

- | | |
|---|---------------|
| - Allocation to the legal reserve: | EUR 61.000 |
| - Retained earnings to be carried forward | EUR 1.155.507 |

The Board resolves to allocate EUR 1.890.000 from the available retained earnings, to the special reserve.

Pour FIAT FINANCE AND TRADE LTD S.A.

